



Memorandum

To: Thomas Sullivan, Chief Counsel
Office of Advocacy,
Small Business Administration
From: Susan Eckerly, Vice President
National Federation of
Independent Business
Re: Small Business paperwork burden
Date: 3-17-03

This memorandum is intended to follow up on NFIB's presentation at the roundtable on paperwork burdens hosted by the Office of Advocacy on March 4.

We very much appreciate the careful attention being paid by Advocacy to the implementation of the Small Business Paperwork Relief Act of 2002. While NFIB would have preferred stronger legislation to combat government red tape, we believe that this new law offers many opportunities to the small business community to address the omnipresent problem of government paperwork.

In particular we hope that you address the following issues.

One point of contact: It's important to establish what the relationship will be between the point of contact identified by the legislation and 1. the chief information officer who is charged with administering the Paperwork Reduction Act; 2. the small business ombudsperson who is appointed by several agencies; and 3. the office of small business that various Cabinet departments have set up. If this provision is to be implemented effectively, it is important that not another overlapping office be created to meet this requirement in the 2002 law.

Catalog of reporting requirements. The federal government should have in one place a definitive list of the paperwork requirements imposed on small business. We understand that the Small Business Administration used to have such a catalogue, dating back to the 1970's. And the Office of Information and Regulatory Affairs has a database of such paperwork. Given the paperwork and regulatory demands placed on small business, the federal government should be able to fulfill its end of the bargain and publish a list categorized by the NAICS code. It would be wonderful if businesses could access this via CD-ROM, through their trade association, or off the Internet, among other places. We hope that the task force will ask the small business community through the public comment process about what format works best for them.

Synchronized Reporting. As you examine this issue, we encourage task force members to look at their own departments and examine their own paperwork requirements and see if their different offices require duplicative information. For example, the Department of Labor should ask the Occupational Safety and Health Administration and the Wage and Hour division to compare paperwork requirements and see if synchronized reporting could work.

Record keeping requirements. Although this issue may fall outside the parameters of the task force established by the 2002 paperwork law, we hope that the Office of Advocacy will raise it there and in other forums. Do federal agencies have a record keeping retention program as required by section 3506(f) of the Paperwork Reduction Act? Has it been reviewed recently and are the agencies adhering to their stated programs? Do agencies clearly point out the length of time that small businesses are required to keep required record keeping?

IRS record keeping. Please review the attached NFIB “Small Business Poll” on “Coping with Regulation.” The poll points out that tax related regulations create the most difficulty for most small business owners. Clearly, tax related paperwork is also the biggest burden (almost 85%) for small business owners, as well. While this problem may be outside the mission of the paperwork task force, we urge the Office of Advocacy to continue to work with the IRS to address this problem.

We appreciate your efforts to address the paperwork burden on small business. As mentioned previously, we are also forwarding to you survey information that we hope is helpful in detailing problems that small business face with paperwork and regulation, in general.

Please let us know if we can be of further assistance.

